

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF NBG TO THE SHAREHOLDERS ON ITS ACTIVITIES DURING 2020, ITS REVIEW OF THE 2020 FINANCIAL STATEMENTS AND ITS REVIEW OF THE BANK'S POLICY FOR SUSTAINABLE DEVELOPMENT

During 2020 the composition of the Audit Committee of the Board of Directors of NBG was as follows:

Mr. Matthieu Kiss	-Chairman since 18. 12. 2020
Mr. Gikas Hardouvelis	- Acting Chairman 2. 9. 2020 – 18. 12. 2020 -Deputy Chairman from 18.12.2020 to 31. 3. 2021
Mr. Andrew McIntyre	- Chairman until 2. 9. 2020
Mr. Claude Piret	- Deputy Chairman
Mr. Avraam Gounaris	- Member
Mr. Wietze Reehoorn	- Member since 16.4.2020
Mr. Periklis Drougkas*	- Member
Mrs. Aikaterini Beritsi	- Member until 16 .4. 2020

*Representing the HFSF

During 2020, the Committee was assisted in its work by its Secretary Mr. Panagiotis Dasmanoglou and its external advisor Mr. Constantinos Cotsilinis.

The Committee met 20 times during 2020. In some instances, joint meetings were held with other Board Committees. Due to the Covid-19 restrictions, the majority of the meetings were held by teleconference.

The meetings were also attended by the Chairman of the Board of Directors, the CEO, the Monitoring Trustee, the Chief Audit Executive, the Chief Financial Officer, and the Chief Control Officer. Other members of Management and the external auditors were also invited to attend meetings according to the items on the agenda.

The meetings of the Committee were conducted in a way which ensured the regular and direct updating of the Committee members. The attendance and participation by its members in the meetings is considered very satisfactory. Their participation was active and contributed to a free expression of speech in a spirit of constructive dialogue. The Committee followed the terms of its Charter approved by the Board of Directors and satisfactorily completed its annual work plan for 2020.

The Committee invited senior officials of the Bank to its meetings for updating on matters under its jurisdiction, giving priority to the areas of Finance, Internal control, Compliance, and Risk Management. Special attention was given to the effects on the Group's operations of the Covid -19 pandemic.

The Chairman of the Committee had regular communication with the Bank's Senior Management and the Chief Audit Executive of the Bank and the Group. This helped to ensure that matters which needed to be discussed at the Committee were highlighted in time.

The Committee, throughout the year, communicated with the Chairmen of the Audit Committees of the Bank's subsidiaries so as to promote a common group approach in the tackling of the various matters under discussion.

The Audit Committee reported its activities to the Board of Directors through quarterly reports which included its comments and proposals for the settlement of outstanding matters. Similarly, at the beginning of 2020, the Committee reported its 2019 activities to the Board and its work program for 2020.

The cooperation of the Committee with the Board, the Management, the officials of the Bank and the Group and the internal and external auditors is considered very satisfactory and did not present any hindrance to the operation of the Committee. The Management of the Bank provided the Committee with all the details and information it requested as well as the means necessary to carry out its job.

Financial statements

During 2020, the Committee approved the 2019 Annual IFRS Statutory Group financial statements as well as the 2020 quarterly financial statements of the Group and made positive recommendations to the Board for their adoption.

The Committee had meetings with the Group Finance Division of the Bank regarding the adequacy and the effectiveness of the procedures for the preparation of the annual and quarterly financial statements of the Bank and the Group. The Committee also received monthly reviews from the Group Financial Planning and Performance Monitoring Finance Division on the Bank's Group's Performance.

During the year, the Committee was updated regarding the implementation of new or amended International Financial Reporting Standards (IFRS).

The accounting policies which were followed in the preparation of the annual financial statements for 2019, and the interim financial statements for 2020, were unchanged from those followed in the previous year. In their entirety they are in conformity with the IFRS as these have been adopted by the European Union. Similarly, there are no significant changes in these policies for the preparation of the 2020 financial statements.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions by Management which affect not only the account balances of the assets and liabilities but also the income and expenses recognized in the financial statements of the Bank and the Group. Management believes that the estimations made and the assumptions adopted for the preparation of the single and consolidated financial statements reflect adequately the events and conditions which existed during 2020 and as at 31 December, 2020.

The Group Finance Division regularly updated the Committee on the critical accounting judgments and estimates made by Management. During 2020, the Committee continued to pay particular attention to certain critical matters such as the calculation and accounting for deferred tax, the procedure for the calculation of the provisions for doubtful debts (taking also into consideration the extraordinary circumstances resulting from the pandemic), the collectability of receivables other than loans to customers, staff related matters, the synchronization of the Bank's computer applications, as well as the response of the Bank's departments and the subsidiaries to the findings of the Group Internal Audit Units.

Going Concern

As regards the Going Concern Principle, the Committee notes the information included by Management in the Annual Report for 2020. "After considering (a) the current level of European Central Bank ("ECB") funding solely from Targeted Long-term Refinancing Operations ("TLTROs") and the current access to the Eurosystem facilities with significant collateral buffer and Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which is well above 100% (b) the Group's Common Equity Tier 1 ("CET1") ratio at 31 December 2020 which exceeded the Overall Capital Requirements ("OCR"), and (c) the extensive and continuous fiscal and monetary support of the European and Greek authorities in response to the unprecedented COVID-19 pandemic (see "Response to Covid-19 crisis" of the Board of Directors Report), the Board of Directors concluded that the Group is a going concern and thus the application of the going concern principle for the preparation of these financial statements is appropriate."

Group Internal Audit

Pursuant to its responsibilities, during 2020, the Committee supervised the operation of the Bank's and the Group's Internal Audit Unit, followed its work and evaluated the Group Internal Audit Annual Regulatory Report according to the Bank of Greece Governor's Act 2577/2006 on the System of Internal Control of the Bank and the Group which was presented

to the Board for approval and forwarding to the Bank of Greece. The Committee also presented reports to the Board, summarizing the Internal Audit Unit's quarterly activity reports and followed up the developments relating to significant reported deficiencies. The Committee reports that the procedure for the follow up of the remediation of deficiencies continues to improve.

During the year, the Committee evaluated the performance of the Chief Audit Executive.

Group Internal Control Function

The Committee approved the Group Internal Control Function (ICF) Methodology and followed the progress of the work of the Group ICF based on its Activity Plan in relation to the design of adequate and efficient controls.

External Auditors

The Committee, following approval by the HFSF, recommended to the Board of Directors the appointment of the external auditors for 2020 in order for the Board to propose them to the General Meeting of Shareholders. A similar proposal for the appointment of the external auditors for the audit of the 2021 financial statements has subsequently also been made.

The Committee had a series of meetings with the Bank's external auditors and the Committee was regularly updated regarding the preparation and carrying out of their work program for the audits of the 2019 and 2020 financial statements, the progress of the audits and the significant audit and accounting issues which they encountered. The Committee also confirmed the independence of the external auditors and approved all the services which the auditors provided to the Bank and the Group as well as the relevant fees. The external auditors have provided the Committee with their special reports on their audits of the 2019 and 2020 financial statements as required by EU and Greek legislation.

The Bank's Finance Division, the External Auditors and the Internal Audit Unit, based on the work that they have carried out, have confirmed to the Committee that they have not encountered any outstanding matters which, up to the date of their approval by the Board, would have had a material effect on the 2020 financial statements of the Bank and the Group.

Throughout the year, the Committee monitored the procedure for the receipt of confidential named and anonymous complaints from staff members or third parties concerning accounting or auditing matters.

Other Committee Activities

The Committee also monitored the operations of the Compliance Division of the Bank and the Group, cooperated with its appropriate officials, and evaluated the reports which the Division presented to the Board of Directors for approval and forwarding to the Bank of Greece.

The Committee was also informed about the work that was carried out by the Group Internal Control Function regarding the design of controls. It also approved new policies prepared by the Group Compliance Division, the Group Finance Division, the Group Internal Audit Function and the Group Internal Control Function on subjects under the Committee's jurisdiction.

NBG Group Sustainability Policy

In accordance with Greek legislation, the Committee is also required to report to the Shareholders on the NBG Group Sustainability Policy.

Throughout its history, NBG has consistently demonstrated its concern and long-standing interest in the promotion of the Greek economy, the support of society, as well as the protection of the natural environment.

NBG's Management is committed to continuing NBG's social contribution, demonstrating its respect for all stakeholders, and understanding their features, expectations and needs, through communication and interaction with them, to address the material issues that they are concerned about.

Fully aware of the importance of its role in the transition to a sustainable economy, NBG's strategic decision is to constantly upgrade its role and contribution to sustainable development in the context of its activities and operations. In this respect, the Group Sustainability Policy determines the framework of NBG's Sustainable Development actions.

The main lines of actions for Sustainable Development of the Bank and the Group carried out with the aim of either reducing the negative impacts or enhancing the positive ones, as well as the commitments of the Bank, are described below by impact category.

1. Socio-economic impact

The Bank undertakes to make a positive contribution to the creation of positive economic and social impacts for its Stakeholders and more broadly for the economies and societies where it operates, through its activities (the provision of funds, products and services), within its role as an employer, and as well as with the development of specific programs for CSR actions.

Its relevant commitments cover the following issues: Contribution to the creation of jobs, promotion of decent work, economic development, entrepreneurship, housing, mobility, innovation, good health, education, gender equality, but also the protection and preservation of historical and cultural heritage, through, indicatively:

- the distribution of economic value to stakeholders including payroll, payments to suppliers, taxes;
- the allocation of funds, and the provision of appropriate products and services for the needs of customers;

- the access to finance without discrimination or exclusion;
- the "Responsibility" corporate responsibility program with actions for support of social welfare programs, vulnerable social groups, health, and for contribution to the arts, culture and education;
- the evolution of a working environment where the Bank ensures good and safe working conditions for its Staff, with equal rights and opportunities, with the implementation of a meritocratic performance appraisal system, and the provision of significant training and development programs (including staff awareness programs on sustainable development issues) for the continuous enhancement its staff's skills.

The development and maintenance of a highly qualified staff is a primary concern of the Bank as it understands that its success is based on its staff. The relevant commitments of the Bank in this sphere include:

- ♣ Development and training of human capital
- ♣ Health, safety and well-being at work
- ♣ Dignity and Equality: Respect for Diversity, No Discrimination, Offensive Behavior or Social Exclusion
- ♣ Respect for human rights
- ♣ Defending the work-life balance

2. Environmental Impact

As regards the Bank's environmental impact in the context of strengthening its contribution to sustainable development, NBG is committed to reducing any adverse impact on the environment arising, primarily, from its financing operations, as well as from its own operations. Recognizing climate change as a major environmental challenge of our times, these commitments focus on the Bank's role as a financier and advisor in the transition effort to a zero - carbon economy, more cyclical and with less dependency on natural resources. The relevant commitments of the Bank address the following areas:

- Environmental Impacts of funding

Reduction of environmental impacts (including climate, water, air, land, biodiversity, use of resources) that arise from the financing of our customers' activities and the allocation of products and services of the Bank to its customers. To achieve it:

- ♣ Emphasis is placed on promoting sustainable finance and investment, "green" banking, in response to growing interest of customers in services and products that contribute to environmental protection and sustainable development, but also for reducing the impact of climate change;
- ♣ the Bank introduces the assessment of environmental (including climate change), social and governance risks in lending procedures.

- Environmental effects of internal operation and infrastructure

Reduction of the Bank's environmental footprint and its impacts (including on climate, water, air, land, biodiversity, use of resources) resulting from its operation and management of its infrastructure. In this context, priority issues are:

- ♣ Improving the energy efficiency of its buildings
- ♣ Conservation of natural resources and energy
- ♣ Efficient management of paper and solid waste
- ♣ Compliance with environmental legislation

3. Responsible Governance Impact

Recognizing its leading role as a responsible company, the Bank is committed to adopting principles that ensure a high level of corporate governance, structures that generate reliable standards of professional conduct and business ethics, policies that contribute to the smooth operation of the organization and the market, and practices that contribute to strengthening of all Stakeholders' trust. In this light, the Bank focuses on the following issues:

- ♣ Board membership, roles and authorities;
 - ♣ Regulatory compliance and business ethics (including combating corruption and bribery, prevention of money laundering & terrorist financing, and unfair competition practices, responsible tax behaviour, data protection, responsible procurement);
- ♣ Transparency and Reliability (accurate, equal, timely, regular, reliable and accessible information for all, regarding issues of financial and non-financial reporting/disclosures);
- ♣ Remuneration policies;
- ♣ Equal treatment of shareholders;
- ♣ Robust and effective Internal Control System (i.e. Risk Management Framework etc);

The full text of the Group Sustainability Policy can be found on the Bank's website (www.nbg.gr).

29 June 2021

Matthieu Kiss

Chairman of the NBG Audit Committee